

BETWEEN :

HOVERCRAFT DEVELOPMENT }
LIMITED

PLAINTIFF;

Ottawa
1966
}
Oct. 14
}
Oct. 22
}

AND

THE DE HAVILLAND AIRCRAFT }
OF CANADA LIMITED

DEFENDANT.

Patents—Conflict—Patent Act, R.S.C. 1952, c. 203, s. 45(8)—Relief sought that defendant not entitled to conflict claims—Jurisdiction.

Following the award by the Commissioner of Patents to defendant of certain claims in conflict plaintiff brought action for a declaration (1) that neither party was entitled to the claims (on the ground that they were inadequately described), and (2) that defendant was not entitled thereto (on the grounds that the claims were excessive and that defendant's inventors were not joint inventors), but there was no claim for the award of the claims to plaintiff. Defendant in its counterclaim alleged (1) that plaintiff's specification did not correctly describe the invention, and (2) that the claims were excessive.

Held, the Court has no jurisdiction to grant the relief sought by the statement of claim or by the counterclaim. Section 45 of the *Patent Act* was not intended to create a procedure for attacking a patent application before the issue of a patent.

ARGUMENT of question of law before trial.

David E. Hill for plaintiff.

Donald J. Wright for defendant.

JACKETT P.:—This is a Statement of Claim with reference to conflict proceedings under section 45 of the *Patent Act*. A question of law was set down for hearing before trial as to the jurisdiction of the Court to deal with the matters raised by the Statement of Claim and by the Counterclaim.

The Statement of Claim reads in part as follows:

3. The Plaintiff is the owner, by assignment, of an invention made by Christopher S. Cockerell entitled "Vehicles for Travelling Over Land and/or Water" for which an application for patent was filed in the Canadian Patent Office on December 12, 1956 under Serial No 719,851.

4. The Plaintiff has been advised by the Commissioner of Patents that the aforesaid application is in conflict with an application Serial No. 684,594 assigned to the Defendant and naming John Dubbury, J. C. M. Frost and T. D. Earl as inventors, such conflict arising by reason of the presence of claims identified as claims C1 to C5 inclusive in both the Plaintiff's and Defendant's applications.

1966
 HOVERCRAFT
 DEVELOP-
 MENT LTD.
 v.
 DE HAVIL-
 LAND
 AIRCRAFT OF
 CANADA LTD.
 Jackett P.

5. The Commissioner of Patents, by an official letter dated March 29, 1965, advised the Plaintiff of his determination that John Dubbury, J. C. M. Frost and T. D. Earl were the prior inventors of the subject matter of conflict claims C1 to C5 inclusive.

6. Neither of the parties is entitled to the issue of a patent containing any of claims C1 to C4 inclusive because:

(a) each of the said claims is obscure and ambiguous and fails to state distinctly the things or combinations which are regarded as new and in which an exclusive property or privilege is claimed,

and, alternatively, because

(b) each of the said claims extends to subject matter which is not useful,

(c) each of the said claims extends to subject matter which was not new having regard to the common knowledge in the art and the patents and publications referred to in Schedule I hereof, and

(d) each of the said claims extends to subject matter which was obvious having regard to the common knowledge in the art and the patents and publications referred to in Schedule I hereof.

7. The Defendant is not in any event entitled to the issue of a patent containing any of claims C1 to C4 inclusive because it has not, in the said application Serial No. 684,594, correctly and fully described any alleged invention distinctly claimed in any of the said claims and the operation or use of any such alleged invention as contemplated by the inventors named in the said application.

8. The Defendant is not in any event entitled to the issue of a patent containing any of claims C1 to C4 inclusive because the said claims claim more than the inventors named in the said application Serial No. 684,594 invented, if they invented anything.

9. The Defendant is not in any event entitled to the issue of a patent containing any of claims C1 to C5 inclusive because the inventors named in the Defendant's said application Serial No. 684,594 were not in fact joint inventors of

(a) any alleged invention distinctly claimed in any of conflict claims C1 to C4 inclusive

or

(b) the subject matter of claim C5.

10. The Plaintiff is entitled as against the Defendant to the issue of a patent including claim C5 because the Defendant has not, in the said application Serial No. 684,594, correctly and fully described the invention claimed in the said claim and the operation or use of the said invention as contemplated by the inventors named in the said application.

THE PLAINTIFF THEREFORE CLAIMS:

(a) A declaration that neither of the parties is entitled to the issue of a patent containing any of claims C1 to C4 inclusive;

(b) A declaration that the Defendant is not entitled to the issue of a patent including any of claims C1 to C4 inclusive;

(c) A declaration that the Plaintiff is entitled as against the Defendant to the issue of a patent including claim C5;

(d) Such further or other relief as the justice of the case requires;

(e) Costs.

Paragraph 5 of the Statement of Defence reads as follows:

5. In the alternative, the Defendant says that

- (1) the specification of application Serial No. 684,594 does not correctly and fully describe said alleged invention, or the invention claimed in claims C1 to C5 inclusive, as required by subsection (1) of Section 36 of the Patent Act;
- (2) If Christopher S. Cockerell invented anything (which is denied) claims C1 to C5 inclusive claim more than he invented.

By Notice of Motion dated October 5, 1966, an application was made that the following question of law be set down for hearing before trial:

- (a) The questions relating to the jurisdiction of this Court raised by paragraph 4 of the Statement of Defence, and
- (b) the question of whether or not this Court has jurisdiction to entertain in these proceedings the issues raised in paragraph 5 of the Statement of Defence or to give an Order relating thereto as asked for in the counter-claim.

This application was granted.

Having regard to recent decisions of this Court, counsel for the plaintiff did not put forward any argument as to the Court's jurisdiction to deal with the questions raised by subparagraphs (b), (c) and (d) of paragraph 6 or the matters dealt with in paragraphs 7 and 10 although he reserved the right to make submissions in support of them on an appeal. He recognized that, with regard to these parts of the Statement of Claim, there was no point in taking time to argue the matter in this Court. He did contend, however, that there was no previous decision with reference to the jurisdiction of the Court concerning paragraph 6(a), paragraph 8 and paragraph 9, and he submitted that the Court had jurisdiction to deal with the matters raised by those paragraphs.

The answer to the question depends upon the construction of section 45 of the *Patent Act* which reads as follows:

45. (1) Conflict between two or more pending applications exists
 - (a) when each of them contains one or more claims defining substantially the same invention, or
 - (b) when one or more claims of one application describe the invention disclosed in the other application.
- (2) When the Commissioner has before him two or more such applications he shall notify each of the applicants of the apparent conflict and transmit to each of them a copy of the conflicting claims, together with a copy of this section; the Commissioner shall give to each applicant the opportunity of inserting the same or similar claims in his application within a specified time.
- (3) Where each of two or more of such completed applications contains one or more claims describing as new, and claims an exclusive

1966

HOVERCRAFT
DEVELOP-
MENT LTD.
v.
DE HAVIL-
LAND
AIRCRAFT OF
CANADA LTD.
Jackett P.

1966
 HOVERCRAFT
 DEVELOP-
 MENT LTD.
 v.
 DE HAVIL-
 LAND
 AIRCRAFT OF
 CANADA LTD.
 Jackett P.

property or privilege in, things or combinations so nearly identical that, in the opinion of the Commissioner, separate patents to different patentees should not be granted, the Commissioner shall forthwith notify each of the applicants to that effect.

(4) Each of the applicants, within a time to be fixed by the Commissioner, shall either avoid the conflict by the amendment or cancellation of the conflicting claim or claims, or, if unable to make such claims owing to knowledge of prior art, may submit to the Commissioner such prior art alleged to anticipate the claims; thereupon each application shall be re-examined with reference to such prior art, and the Commissioner shall decide if the subject matter of such claims is patentable.

(5) Where the subject matter is found to be patentable and the conflicting claims are retained in the applications, the Commissioner shall require each applicant to file in the Patent Office, in a sealed envelope duly endorsed, within a time specified by him, an affidavit of the record of the invention; the affidavit shall declare:

- (a) the date at which the idea of the invention described in the conflicting claims was conceived;
- (b) the date upon which the first drawing of the invention was made;
- (c) the date when and the mode in which the first written or verbal disclosure of the invention was made; and
- (d) the dates and nature of the successive steps subsequently taken by the inventor to develop and perfect the said invention from time to time up to the date of the filing of the application for patent.

(6) No envelope containing any such affidavit as aforesaid shall be opened, nor shall the affidavit be permitted to be inspected, unless there continues to be a conflict between two or more applicants, in which event all the envelopes shall be opened at the same time by the Commissioner in the presence of the Assistant Commissioner or an examiner as witness thereto, and the date of such opening shall be endorsed upon the affidavits.

(7) The Commissioner, after examining the facts stated in the affidavits, shall determine which of the applicants is the prior inventor to whom he will allow the claims in conflict and shall forward to each applicant a copy of his decision; a copy of each affidavit shall be transmitted to the several applicants.

(8) The claims in conflict shall be rejected or allowed accordingly unless within a time to be fixed by the Commissioner and notified to the several applicants one of them commences proceedings in the Exchequer Court for the determination of their respective rights, in which event the Commissioner shall suspend further action on the applications in conflict until in such action it has been determined either

- (a) that there is in fact no conflict between the claims in question,
- (b) that none of the applicants is entitled to the issue of a patent containing the claims in conflict as applied for by him,
- (c) that a patent or patents, including substitute claims approved by the Court, may issue to one or more of the applicants, or
- (d) that one of the applicants is entitled as against the others to the issue of a patent including the claims in conflict as applied for by him.

(9) The Commissioner shall, upon the request of any of the parties to a proceeding under this section, transmit to the Exchequer Court the papers on file in the Patent Office relating to the applications in conflict.

There is no doubt that the purpose of section 45 is to solve a question that has arisen in the course of processing applications for patents as to which of two persons claiming separately the grant of a patent in respect of the same invention was the first inventor thereof. When the Commissioner has made an award in a particular conflict proceeding, under subsection (7) of section 45, that one of the applicants "is the prior inventor to whom he will allow the claims in conflict", it is open to the other applicant to commence proceedings in this Court "for the determination of their respective rights". There is no doubt in my mind that these latter words contemplate an action by an applicant who was unsuccessful before the Commissioner for a determination of the Court that he and not the applicant who was successful before the Commissioner is entitled "as against the others to the issue of a patent including the claims in conflict". See paragraph (d) of section 45(8).

1966
 HOVERCRAFT
 DEVELOP-
 MENT LTD.
 v.
 DE HAVIL-
 LAND
 AIRCRAFT OF
 CANADA LTD.
 Jackett P.

In such an action, there might well be a proper allegation that the inventor or inventors named in the defendant's application is not the inventor of the invention as described in the conflict claim as the basis for a claim that the plaintiff should have such relief because the inventor named in its invention is the sole inventor of the invention described in the conflict claim. To the extent that paragraphs 8 and 9 of the Statement of Claim herein constitute such an allegation, I should not have been inclined to strike them out if they were part of an otherwise properly framed statement of claim.

My difficulty with the Statement of Claim in the present action is that it has not been framed with a view to having the Court reverse the Commissioner's finding that the defendant and not the plaintiff is entitled to a patent containing the conflict claims. The plaintiff has not put forward a claim, by his Statement of Claim, that it is entitled to the claims in its application that were put in conflict and then awarded to the defendant. The clear purpose of the Statement of Claim is to obtain a judgment of the Court that the claims in question should not be awarded to the defendant. In my view, section 45 was not intended to create a procedure for attacking a third party's application for an invention before the issuance of a patent.

What I have said with reference to the Statement of Claim applies equally to the Counterclaim.

1966

HOVERCRAFT
DEVELOP-
MENT LTD.
v.
DE HAVIL-
LAND
AIRCRAFT OF
CANADA LTD.

Jackett P.

For the above reasons, the answer to the question of law is that the Exchequer Court of Canada has no jurisdiction to grant the relief sought by the Statement of Claim or by the Counterclaim.

Pursuant to the terms of the Order setting the question of law down for hearing before trial, before an application is made for judgment dismissing the Statement of Claim or for other consequential relief in accordance with my answer to the questions of law, the plaintiff will be given a reasonable opportunity of applying for leave to amend its Statement of Claim. One term of an order granting such leave may, of course, be that the defendant will have leave to amend its Statement of Defence.

Upon the application for judgment or other consequential relief, the question of the costs of this hearing and determination will be dealt with.